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AGRICULTURAL COOPERATION

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THE ECONOMIC PHILOSOPHY OF COOPERATION*

The growing importance of cooperative activity is calling for a better understanding of the features of the cooperative form of organization. The movement grew up out of the circumstances of the Industrial Revolution and was a reaction against the early abuses or, at least, rigors of the capitalistic industrial system. Three "fundamentals" are generally held to have constituted the theoretical basis of its practical success. These are:

- (1) Increased efficiency or reduced cost of service.
- (2) Popular distribution of savings or profits.
- (3) Democratic control.

The author says that "these three premises represent three salient points of economic theory actuating the cooperative movement as something distinct among forms of economic organization. They register a threefold protest against the costs and wastes of the competitive selling system, against capital as the residual claimant of profits, and against the identification of economic control with stock ownership and the accompanying tendency toward concentration and autocracy."

The first salient tenet of cooperation has application in all fields of cooperation. Consumers' organizations claim savings and economies of various kinds. Farmers claim that they can ship livestock more economically through a cooperative association than through local buyers. In general, for cooperative selling and marketing in agriculture, many economies are claimed. Also through cooperation many economies may be introduced in the technology of agricultural production.

The distribution of earnings on the basis of patronage rather than on capital is probably the most important tenet of cooperative activity. Capital is to have merely its contract rate. The cooperator objects to putting the capitalist in a position to profit by the exploitation of consumers' wants. The proper parties to profit are first the consumers and then perhaps the laborers. But nowadays cooperative consumers and agricultural cooperators have little interest in allowing laborers to share in earnings.

In America, where agricultural cooperation is predominant above any other form, but where other forms are represented, there is a keen consciousness of the very limited field of mutual interest among co-

*A digest of the article by Dr. E. G. Nourse, Professor of Agricultural Economics, Iowa State College, Ames, Iowa, under the above title in the December, 1922, issue of the American Economic Review.

operators in general. Dr. Nourse probably does not mean to imply that this diversity of interest is better established in this country than elsewhere. Wherever all the various types have been represented, about the only bond of union has been the sharing of a common name. European cooperative organizations and congresses embracing various types of cooperative effort have been characterized by factional efforts to gain adherents rather than by the promulgation of a mutually satisfactory program and principle. As association has developed in each of these fields, be it that of the industrial worker, the farmer, or of the consumer, the principle set forth has tended to become "less altruistic and more specific and exclusive." As Dr. Nourse says, in each case this tendency has made the principle "more easy to expound and more simple to apply." He further characterizes this tendency in cooperative principle by saying "We may call this militant cooperation as against the Utopian cooperation of the older school. It has led, as noted above, to the dropping of the labor dividend quite generally in America, to factional differences between producer and consumer cooperative associations, both abroad and at home, and has raised up a cooperative cult in America which cries down the Rochdale principles and exalts the new 'cooperation American style,' along the lines of big business bargaining efficiency and ruthlessness."

It seems to the writer as if this characterization of present day cooperation is perhaps too summary. If frequently cooperative action in agriculture is militant, a defensive and offensive alliance against predatory business organizations, it is also probably more often and more fundamentally an evolution of agricultural business organization stimulated by the economies to be realized by a better articulation of agricultural enterprise with its markets.

Agricultural cooperators, as Dr. Nourse writes, belong to a new cult. With them "there is no attempt to introduce any distinctively new principle of industrial guidance such as is proposed in the elaborate scheme of consumer cooperation. But it is proposed to put the individual members of our agricultural industry in an economic position compatible with the demands of modern economic life, both as to productive efficiency and as to distributive justice."

Democratic control is the third of the chief considerations of cooperative theory as Dr. Nourse outlines it. "The proposals of cooperatives simply represent an effort to form a control which will permit the benefits of large-scale organization but will restore the independence and utilize the personal contribution of the many under thoroughly democratic principles."

The significance and nature of cooperation as an economic concept is concisely stated by the author in the following words: "The basic argument of cooperation is that it has devised a new working machinery which offers the legal and technical possibility of an economic system, under the direction and in the interest of either the industrial laborers or the consumers as such, or the individually organized producer of market wares, notably the farmer. The practical application of the cooperative form to each of these three purposes respectively gives rise to decidedly different situations and problems." The concept here expressed makes of cooperation something more than

merely a form of business organization. It is an economic system applicable to different fields with a common set of principles that are best carried into effect through the legal institution of the cooperative form of business organization.

Upon reading this article, one wishes first to express his delight at the stimulating and suggestive treatment that Dr. Nourse has given the subject. It is one of the very few attempts by an economic scholar to characterize and to describe this development in terms of its social and economic theory. As such it is exceedingly helpful to a satisfactory understanding of the subject. It leaves the reader with a concise characterization of this important subject in its historical setting.

Several important questions and ideas occur to one from the treatment given the subject. Some of these are as follows:

(1) Is cooperation a unified movement or mode of functioning that is capable of having a theory and a philosophy? Is it not true that what we have is several quite different schemes or principles of economic organization and motivation which are interpreted by Dr. Nourse and others as all of one piece of cloth merely because each makes use of the same pattern, which is a certain type of business organization, in the application of its own peculiar principle or idea?

(2) Cooperation philosophy does not begin with the Rochdale Pioneers. Their exploits in Toad Lane are significant for two reasons: (a) they popularized a certain type of business organization that has since been used extensively by various groups; (b) they are the significant beginnings of the consumers' store movement in Great Britain.

(3) Is there any sense in which consumers' cooperation and agricultural cooperation have a common philosophy?

(4) Can anything in general be said in support of the economic efficacy of cooperation?

(5) Must not an economic analysis of agricultural cooperation disclose that cooperative activity among farmers is beneficial to themselves and to society only under certain definite circumstances, which exist only under the conditions of a particular market organization, particular types of agriculture and particular kinds and qualities of product, and, one may also add, among particular types of people?

(6) Is not agricultural cooperation in this country significant chiefly as a unification in agricultural organization rather than as an integration of agricultural and marketing organization? In other words, are not its main economies in the field of higher quality and standardization and a more selective use of a private middleman system that will remain largely intact and continue to expand?

Paul L. Miller.

(Mr. Miller has recently been appointed Associate Agricultural Economist, Bureau of Agricultural Economics. He was a graduate student in the University of Michigan, 1915-16; instructor in Michigan Agricultural College, 1916-18; and instructor in agricultural economics and graduate student in the University of Minnesota, 1918-1922.)

SUPREME COURT OF OREGON UPHOLDS COOPERATIVE CONTRACT

In the case, *Oregon Growers' Cooperative Association v. August Lentz and Benjamin Lentz*, recently decided by the Supreme Court of Oregon, the Oregon Growers' Cooperative Association brought suit against August Lentz and Benjamin Lentz for the specific performance of a contract entered into by the plaintiff with August Lentz, and also for an injunction to restrain them from disposing of the loganberries described in the contract to any one other than the plaintiff. The lower court enjoined the defendants and decreed that the contract should be specifically performed. The defendants appealed to the Supreme Court of the State, which court affirmed the decree of the lower court.

It appeared that in 1920, August Lentz delivered his loganberries to the association pursuant to his contract and was fully paid by the association for them. However, in that year the association sold a quantity of loganberries to a certain canning company which became insolvent and which caused a thirty-thousand-dollar loss to the association. The association then proceeded to allocate the entire loss to its loganberry-growing members and charged against the account of August Lentz approximately twenty-four hundred dollars, a large part of which was deducted from the amounts received for the loganberries delivered by him in 1921. August Lentz, on account of these facts, became dissatisfied and until enjoined made no deliveries of loganberries under his contract in the year 1922. About January 1 of that year, August Lentz leased his premises to his minor son, Benjamin Lentz, for one year. The lower court found that the son had full knowledge of the contract of his father with the association and held that under the circumstances the lease of the premises did not operate to deprive the association of the right to insist upon delivery of the loganberries grown upon the premises in question.

In regard to the allocation of \$2,400 of the loss sustained by the association to the account of August Lentz, the Supreme Court said that in view of the fact that the right of the association to make this allocation had not been properly challenged in the pleadings filed by the defendants, it could not be urged on appeal by the defendants that they were entitled to a reversal of the decree of the lower court on this account. There is an intimation in the opinion that unless the association was authorized to make the allocation referred to that it would have no authority so to do.

The contract in question stated that the association in the event of a breach of the contract would be entitled to an injunction to restrain a further breach thereof and also to the remedy of specific performance to compel the member to comply with his contract. On appeal, the defendant urged that the injunction granted by the lower court was issued pursuant to this contract provision and that the decree for specific performance had been entered on that account and advanced the proposition that the parties to a contract "cannot by consent or stipulation invest a court with jurisdiction or power not authorized by law or conferred upon it by the constitution" and hence

claimed that the equitable relief granted the plaintiff had been improperly allowed. The Supreme Court approved this proposition, but stated that the equitable relief which had been awarded the association in this case by the lower court was in no way dependent on the contract provisions referred to, inasmuch as a statute of the State expressly provided that an association under the circumstances in question was entitled to an injunction and to the remedy of specific performance.

The contract in this case provided for liquidated damages and the defendants claimed that in view of this fact the association had a complete and adequate remedy at law and, hence, was not entitled to equitable relief. The Supreme Court in pointing out that the remedy at law involving the recovery of money damages for the breach of the contract was inadequate, called attention to the fact that the marketing plans of the association were all made on the assumption that the produce contracted for would be delivered.

The defendants also contended that the contract was an unlawful one in that it was a contract for a combination or conspiracy in restraint of trade and that its enforcement would create a monopoly. The Supreme Court said, with respect to the contract, that the presumption is that all contracts are legal, and pointed out that the defendants had entirely failed to allege and to prove that the contract was, in any way, unlawful. Reference was also made to the fact that the making of the contract was specifically authorized by statute.

The association also appealed from the decision of the lower court and, among other things, complained that the trial court had failed to give judgment for an amount sufficient to include the traveling expenses incurred by the association according to the provisions contained in the contract that, in the event of a breach of the contract by the defendant he would pay all such expenses. The Supreme Court said in overruling this point, "As to the question of traveling expenses, although the contract, by its express terms, stipulates what relief shall be afforded to the plaintiff upon a breach thereof by the defendant, August Lentz, the court is not bound to afford such relief unless, under the particular circumstances of the case presented for determination, the granting of such relief would be in accordance with well established rules and principles of equity."

L. S. Hulbert.

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COSTS OF MARKETING LIVE STOCK COOPERATIVELY SHOWN IN CIRCULAR

"Costs of Marketing Live Stock in the Corn Belt, 1921," is the title of a mimeographed circular recently issued by the Cost of Marketing Division of the Bureau of Agricultural Economics. This preliminary report presents partial results of the tabulation of data collected from 237 cooperative live-stock shipping associations. Tables and charts have been used in the presentation of the information.

TURNER CENTRE SYSTEM PAYS PATRONS NEARLY \$2,000,000 IN 1922

Business amounting to over four millions of dollars in 1922, is the record of the Turner Centre System, Auburn, Me., according to the fortieth annual report of the directors, treasurer and auditor. This company is one of the largest dealers in milk and dairy products in New England. Its general, manufacturing and selling expenses amounted to approximately \$1,400,000, or nearly 34% of the income. The largest single item of the total expense was \$427,000 for salesmen, etc., in connection with the wholesale stores at Charlestown, Lynn, Lowell, Lawrence, Worcester and Providence. The second, third and fourth largest items of the expenditures were \$238,000 for factory help; \$112,000 for sugar, fruits, flavors, etc., and \$97,000 for dividends. Bonuses amounting to nearly \$24,000 were paid to employees.

During the year 64,120,092 pounds of milk and cream were received; 3,606,203 pounds of butter fat were paid for; 397,046 pounds of butter were churned; and 223,604 pounds of casein manufactured.

The corporation closed the year with real estate, buildings, fixtures and equipment valued at \$1,630,123.14, and with total assets of \$2,046,884.31, including a favorable cash balance of over \$50,000.

This company, originally the Turner Centre Dairying Association, began business in 1882 and was incorporated in 1893. It is reported that it was the intention of the founders to make it a cooperative enterprise, but through some lack of understanding a straight corporation was organized with a capital stock of \$500,000 divided into ten-dollar shares. However, in the conduct of the business, recognition has been given to cooperative principles.

In order to carry out the original plan a reorganization was effected in 1913, the name of the company being changed to the "Turner Centre System" and a plan adopted whereby the patrons could buy the capital stock of the company on the installment plan. At that time the authorized capital stock was increased to \$2,350,000, made up of \$350,000 Class A Common, \$1,000,000 Cooperative Common, and \$1,000,000 Preferred. The outstanding Class A Common is slowly being retired and the Cooperative Common and the Preferred are being issued. The amount of each type of stock outstanding at the close of the years 1913 to 1922 was as follows:

Year	Common	Cooperative Common	Preferred	Total
1913	:	:	:	\$ 125,000
1914	:	:	:	125,000
1915	:	:	:	250,000
1916	:	:	:	250,000
1917	\$ 350,000	:	\$ 46,482	396,482
1918	350,000	:	51,500	401,500
1919	*350,000	:	243,700	593,700
1920	*272,874	\$ 33,720	400,600	762,194
1921	*271,852	152,112	409,400	833,364
1922	*201,257	453,037	490,700	1,144,994

*Class A Common.

During the time that the total outstanding capital stock increased from \$125,000 to \$1,144,994, the value of the real estate, buildings, fixtures and equipment increased from \$337,726.71 to \$1,630,123.14. The value as of December 31 for each year from 1913 to 1922 was as follows:

1913	\$ 337,726.71
1914	395,466.40
1915	525,458.01
1916	538,238.76
1917	622,679.66
1918	895,575.59
1919	1,128,919.99
1920	1,261,722.10
1921	1,350,059.52
1922	1,630,123.14

Figures giving the total yearly income of the company are available since 1885 when the business amounted to a little more than \$20,000. There was a steady annual increase of business until 1911. The \$100,000 mark was passed in 1892; the \$500,000 in 1899; \$1,000,000, in 1906; \$2,000,000 in 1913; and \$5,000,000, in 1919.

The magnitude of the business conducted since 1900 is indicated below. The greatest quantity of butter fat was handled in 1919.

Year :	Total Income*	Net Amount	Butter Fat
:	:	Carried to Surplus#:	Paid For
:	:	:	(Pounds)
1900 :	\$ 543,599.46 :	\$ 2,359.34 :	:
1901 :	540,187.79 :	249.09 :	:
1902 :	674,342.39 :	5,134.66 :	:
1903 :	777,318.89 :	4,227.61 :	:
1904 :	785,940.51 :	6,292.83 :	:
1905 :	926,029.53 :	5,221.89 :	:
1906 :	1,061,948.87 :	5,345.97 :	:
1907 :	1,290,347.13 :	1,689.50 :	:
1908 :	1,229,013.61 :	3,551.93 :	:
1909 :	1,261,200.35 :	9,803.28 :	:
1910 :	1,650,434.66 :	6,318.39 :	:
1911 :	1,529,787.03 :	12,763.34 :	:
1912 :	1,664,039.77 :	18,795.21 :	3,065,005
1913 :	2,056,545.54 :	23,201.34 :	3,739,417
1914 :	2,236,083.15 :	25,081.31 :	4,248,378
1915 :	2,638,104.97 :	14,843.68 :	4,540,809
1916 :	3,057,339.98 :	35,038.75 :	4,500,363
1917 :	3,462,987.64 :	36,750.75 :	4,061,892
1918 :	4,759,814.62 :	23,596.19 :	4,132,587
1919 :	5,605,113.52 :	24,229.19 :	4,634,213
1920 :	6,699,476.71 :	4,905.35 :	4,229,370
1921 :	4,735,274.73 :	94,141.15 :	3,816,315
1922 :	4,122,202.38 :	99,287.13 :	3,606,203

*Annual income, 1885-1914, taken from 1914 report.

#Surplus, 1900-1920, taken from 1922 report.

The yearly receipts for milk, cream and eggs, the total payments to patrons for these products, and the percentage of the receipts paid to patrons for the ten years 1913 to 1922, are as follows:

Year :	Receipts from :Milk, Cream and Eggs :	Paid Patrons for :Milk, Cream and Eggs :	Per Cent of :Receipts Paid Patrons
1913 :	\$1,859,400.58	\$1,577,568.17	84.8
1914 :	2,043,763.23	1,731,777.81	84.7
1915 :	2,295,105.07	1,893,949.07	82.5
1916 :	2,618,086.22	*2,126,417.32	81.2
1917 :	3,201,441.90	*2,580,481.61	80.6
1918 :	4,310,455.20	*3,542,529.51	82.1
1919 :	4,976,697.60	*4,055,628.72	81.4
1920 :	5,599,314.71	*3,737,594.10	** 66.7
1921 :	4,236,116.32	*2,646,543.59	** 62.4
1922 :	# 3,439,104.53	*1,980,454.83	** 57.3

*Including "Bonus to Patrons," 1916-1922.

#Excluding "Unexpended Patrons' Bonus," \$14,840.34.

**During the last three years the dairy products marketed by the company have been carried a little further on the road leading to the consumers than formerly. Because of this fact additional services have been rendered, additional expenses incurred and an increased price charged for the products sold. Hence the figures indicating receipts, expenses, per cent of receipts paid patrons, and per cent expenses of receipts for the years 1920, 1921 and 1922, are not comparable with similar figures for preceding years. It is obvious that the producer can not receive so large a percentage of the price paid by the retail establishments as that paid by wholesale.

The bonuses included in the table above, paid to patrons at the end of the years 1916 to 1922, were as follows:

1916	\$49,329.85	1920	\$ 53,539.09
1917	36,500.00	1921	212,454.06
1918	121,253.57	1922	56,000.00
1919	113,721.93		

The benefits which the patrons of the company have received during the past years are reflected to a degree in the prices they have received for the butter fat marketed by the company as butter, milk, cream, ice cream, etc. These prices are given below:

Year :	Butter Fat : Paid For :	Amount Paid : Patrons :	Cents per : Pound :	Index :(1913 = 100)
:	(Pounds)	:	:	:
1913 :	3,739,417	\$1,502,333.45	40.1	100.0
1914 :	4,248,378	1,649,646.34	38.8	96.7
1915 :	4,540,809	1,809,763.81	39.8	99.2
1916 :	4,500,353	2,021,942.12	44.9	111.9

Year :	Butter Fat Paid For (Pounds)	:	Amount Paid Patrons	:	Cents per Pounds	:	Index (1913 = 100)
1917 :	4,061,892	:	\$2,486,406.70	:	61.2	:	152.6
1918 :	4,152,587	:	3,354,632.26	:	81.1	:	202.2
1919 :	4,684,213	:	3,904,452.77	:	83.3	:	207.7
1920 :	4,229,370	:	3,622,812.02	:	85.6	:	213.4
1921 :	3,816,315	:	2,573,054.26	:	67.4	:	168.0
1922 :	3,606,203	:	1,980,454.83	:	54.9	:	136.9

Each year the company has purchased large quantities of supplies which it has sold to its patrons at but little more than the wholesale purchase price. The amount of receipts, expenditures, and the difference between the two, for the years 1913 to 1922, are as follows:

Year :	Receipts from Trade	:	Expenditures for Trade	:	Difference
1913 :	\$197,059.98	:	\$195,138.90	:	\$1,921.08
1914 :	183,262.72	:	172,976.03	:	10,286.69
1915 :	332,758.69	:	314,196.35	:	18,562.34
1916 :	427,697.65	:	411,154.85	:	16,542.80
1917 :	255,750.74	:	250,290.23	:	5,460.51
1918 :	436,169.93	:	410,484.98	:	25,685.00
1919 :	566,462.34	:	539,520.51	:	26,941.83
1920 :	1,028,110.81	:	1,024,695.49	:	3,415.32
1921 :	456,928.53	:	455,991.17	:	937.41
1922 :	683,827.42	:	681,432.74	:	2,394.68

The expenses connected with the operation of the corporation are divided into four main classes: (1) General, including salaries, office expense, mail, advertising, taxes, insurance, interest, dividends on capital stock; (2) manufacturing, including factory help, supplies, repairs, depreciation on plants; (3) selling expenses, including freight, cartage, operation of stores, salesmen, doubtful accounts; and (4) bonuses to employees. The figures for each class of expenses for the years since 1913 are given below:

Year :	General Expenses	:	Manufacturing Expenses	:	Selling Expenses	:	Bonus to Employees
1913 :	\$32,483.49	:	\$210,837.97	:	\$14,446.51	:	\$5,000.00
1914 :	42,266.58	:	239,982.66	:	22,307.37	:	4,000.00
1915 :	59,077.19	:	307,437.99	:	45,647.70	:	5,000.00
1916 :	74,954.43	:	367,408.21	:	38,934.15	:	6,223.15
1917 :	73,398.83	:	407,566.26	:	110,449.79	:	6,905.54
1918 :	98,125.94	:	486,678.78	:	165,432.84	:	9,154.08
1919 :	145,018.96	:	654,685.08	:	173,145.42	:	12,885.64
1920 :	210,107.40	:	1,018,135.17	:	656,109.24	:	47,879.96
1921 :	210,453.52	:	786,914.28	:	517,231.02	:	24,000.00
1922 :	239,584.01	:	663,940.97	:	493,544.82	:	23,957.83

The percentage which the total expense, including bonus to employees, has been of total receipts, has varied since 1913 from 12.7% in that year to 33.9% in 1922. The figures are as follows:

Year :	Total Expenses* :	Per Cent
:	:	Expenses of Receipts
1913 :	\$ 262,768.07 :	12.7
1914 :	308,556.61 :	13.7
1915 :	417,162.88 :	15.8
1916 :	487,519.99 :	15.9
1917 :	603,320.42 :	17.3
1918 :	759,391.64 :	15.9
1919 :	985,735.10 :	17.5
1920 :	1,932,281.77 :	** 28.8
1921 :	1,538,598.82 :	** 32.4
1922 :	1,421,027.68 :	** 33.9

*Including bonus to employees.

**See note page 8.

The company is acquiring additional facilities for handling the products of its patrons in various New England cities. A milk, cream and ice cream plant is now being completed in Providence at a cost of a quarter of a million dollars, a plant is being established at Lowell at a cost of \$100,000, and a rented store is being equipped at Fall River at a cost of about \$40,000.

The gain in the financial strength of the company is indicated by the figures dealing with the accumulated surplus and net worth. These figures are shown below:

Year :	Accumulated	Index	Net Worth	Index
:	Surplus	(1913=100):	:	(1913=100)
1913 :	\$114,038.36 :	100.0 :	\$239,038.36 :	100.0
1914 :	139,119.67 :	121.9 :	264,119.67 :	110.4
1915 :	153,963.35 :	135.0 :	403,963.35 :	168.9
1916 :	189,002.10 :	165.7 :	439,002.10 :	183.6
1917 :	225,752.45 :	197.9 :	622,234.45 :	260.3
1918 :	249,348.64 :	218.6 :	650,848.64 :	272.2
1919 :	273,577.83 :	239.8 :	867,277.83 :	362.8
1920 :	185,953.08 :	163.0 :	948,128.00 :	396.6
1921 :	278,347.23 :	244.5 :	1,112,211.65 :	465.2
1922 :	293,420.16 :	257.2 :	1,588,968.31 :	664.7

Other figures indicating the development which has taken place during the past ten years are the index numbers given in the following table, using the 1913 figures as 100.

Relative Development Since 1913 with 1913 Used as 100.

Year :	Butter Fat : Paid For :	Total : Receipts :	Total : Expenses :	Capital Stock : Outstanding :	Value of Plant and Equipment :
:	(Pounds) :	:	:	:	:
1913 :	100 :	100 :	100 :	100 :	100
1914 :	113 :	108 :	117 :	100 :	117
1915 :	121 :	123 :	158 :	200 :	155.5
1916 :	120 :	145 :	185 :	200 :	159.3
1917 :	103 :	163 :	229 :	317 :	184.3
1918 :	110 :	231 :	288 :	321 :	265.1
1919 :	125 :	272 :	375 :	474 :	354.2
1920 :	113 :	325 :	735 :	609 :	373.5
1921 :	102 :	230 :	565 :	656 :	399.7
1922 :	96.4 :	203 :	540 :	915 :	472.6

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INDIANA POOLS WOOL SECOND SEASON

The State-wide wool pool conducted during the season of 1922 by the Indiana Federation of Farmers' Associations is reported by the chairman of the wool committee as closed, with all the wool sold and settled for at prices materially above the average home prices. The amount of wool handled was 239,025 pounds. This was sold for the committee by the Ohio Sheep and Wool Growers' Association, bringing \$93,412.24, or about 37-1/2¢ net to the growers. The 1921 pool was sold through the same association. While the committee estimates that the direct benefits of pooling brought an increased price of five cents a pound, it believes that the indirect benefits are more important and affect every wool grower in Indiana and Ohio. Interest in sheep and wool production is increasing. One thousand Ohio delaine breeding ewes were recently shipped into one Indiana county, as well as some to other counties.

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NEARLY TWO THOUSAND CARS OF PRODUCE SOLD BY FARMERS' EXCHANGE

A total business of \$1,677,954.24 for the year 1922, is reported by the manager of the South Jersey Farmers' Exchange, Woodstown, N. J. This farmers' organization does a general merchandising business and also handles about 60% of the produce grown in three counties. It maintains warehouses at five points and ships from 32 branch stations. During 1922 the exchange handled 1,400 carloads of potatoes, 436 cars of tomatoes and 100 cars of grain. It also sold 12,000 tons of fertilizers and 11,000 tons of dairy feeds. The company was organized and incorporated in 1909 and now has 810 stockholders. The capital stock was recently increased to \$500,000, of which \$250,000 is paid in. Eight per cent dividends have been paid for several years. The real estate, buildings and equipment are valued at \$115,702.72, and the surplus fund amounts to \$40,447.

DANISH CREAMERY REPORTS ON BUSINESS CONDUCTED IN 1922

Receipts from butter and buttermilk handled by the Danish Creamery Association, Fresno, Calif., during 1922, amounted to \$1,577,809.10, as shown by the annual report. Expenses of manufacturing were \$100,012.25; of selling, \$24,094.23; of hauling, \$38,752.73; administration, \$23,849.41; maintenance and repairs, \$3,465.12; making a total of \$195,173.74. The amount paid to patrons was \$1,347,030.31. The amount of butter made was 3,461,251 pounds as compared with 2,822,269 pounds in 1921. The patrons received an average of 38.9¢ a pound for butter. An 8% dividend to stockholders amounted to \$2,656. Improvements to the plant were made at an expense of \$20,555.30, consisting chiefly of a new boiler room and equipment and two delivery trucks.

The manager, Mr. J. R. Murphy, states that the association has 684 members and is now receiving milk from 1,081 dairymen. In 1920 about one-third of the butter fat was furnished by members, in 1921 about one-half, and in 1922 about two-thirds. A delivery service is being furnished the small towns south and east of Fresno.

Mr. Murphy further states: "The prospect for dairymen looks very favorable for this year. There is less butter in storage than there was at this time last year.....The prices on all milk by-products are much higher than last year. Dried milk, milk sugar and casein are all bringing good prices....."

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INDIANA DAIRY MARKETING ASSOCIATION BEGINS OPERATIONS

At the third annual meeting of the Indiana Federation of Farmers' Associations, held in December, 1921, a State Dairy Committee was appointed to study the problems of marketing dairy products and make recommendations. Following the report of this committee the Indiana Dairy Marketing Association was incorporated with a board of fifteen directors appointed by the executive committee of the State federation. Plans were developed for operating and financing milk and cream pools in the various market centers and an intensive membership campaign was carried on. The first branch of the association was opened at Muncie on the first day of October, 1922, with approximately 85% of the milk supply of that city under contract. The plant of the largest milk company in the city was purchased and an experienced manager hired. The first month 433,015 pounds of milk were sold for \$12,748.69; the expenses amounted to \$1,394.36, and \$10,853.33 was paid to producers. This brought the producers 20¢ per cwt. more than the large distributors paid the preceding months when milk sold for the same price at retail. Organization work is proceeding for opening plants at Indianapolis and Fort Wayne.

LOCAL BUSINESS MEN AID TOBACCO GROWERS

Advances amounting to \$2,767,876.62 had been made late in February to growers by the Dark Tobacco Growers' Cooperative Association, Hopkinsville, Ky. These advances represent about 40% of the selling price. Sales are running about 50% ahead of deliveries, about 75,000,000 pounds having been sold and 50,000,000 pounds delivered to the warehouses. This has been delivered to purchasers about as rapidly as it has been received and graded. The association now has 113 receiving stations in operation and every house reports that the tobacco is being delivered in excellent shape and condition, as a result of instructions and demonstrations given before the receiving houses were opened, according to news releases issued by the association.

The receiving house at Paris, Tenn., having proven inadequate to accommodate the crop in that section, the business men of the town have agreed to finance the erection of another building which will give 25,000 additional square feet of floor space, at a cost of \$20,000. The building will be turned over to the association under the purchase plan whereby it gives stock in the warehouse corporation and serial bonds in payment for the property. It is proposed to have the new warehouse ready for use in 35 days, and it is expected that it will result in the delivery of 2,000,000 pounds of tobacco at Paris which would otherwise go to neighboring towns.

Plans are being developed for the organization of county or local units to bring the 57,000 members of the Dark Tobacco Growers' Association into closer contact with each other. Four locals are to be formed early in March and others as rapidly as possible in the "Black Patch" counties. It is proposed to make each local a source of information and a place for receiving suggestions or complaints. The local will also be the official channel of communication with headquarters. The plans are for each local to hold a monthly meeting at which the members may discuss their problems and any matters of interest. There will be no dues. It is also suggested that the local associations take up such matters as the best variety of tobacco, plant-bed selection and preparation, methods of cultivation, fertilizers, how to build the best barns, best curing and grading methods, etc.

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GRAPE GROWERS REORGANIZE NATIONAL ASSOCIATION

The National Grape Growers' Association reorganized on January 23, 1923, adopting a new constitution and assuming the title of the National Concord Grape Growers' Association, not incorporated. The purposes are to act as a bureau of information and to look after the legislative, transportation, organization and social interests of the members of the affiliated associations. F. B. Crawford, of the Keystone Cooperative Grape Association, North East, Pa., is president, and W. H. Asbury, of the Western Reserve Farmers' Cooperative Association, Unionville, Ohio, is secretary.

EGGS VALUED AT OVER \$5,000,000 SOLD IN 1922

The Poultry Producers of Central California, Inc., with headquarters at San Francisco, began operations in January, 1917, having organized the previous October. The principal business conducted is the sale of eggs. The following table, compiled from the annual reports of the manager, shows the growth of the business:

Year :	Cases of Eggs : Handled :	Receipts from : Sales :	Net Returns : to Members :	Per Cent Returns of Receipts
1917 :	213,532 :	\$2,382,444.23 :	\$2,170,626.26 :	91.1
1918 :	270,313 :	3,712,523.17 :	3,425,717.91 :	92.2
1919 :	228,677 :	3,055,337.31 :	2,814,737.90 :	92.1
1920 :	460,303 :	6,939,542.66 :	- - - - - :	
1921 :	662,598 :	6,905,802.67 :	- - - - - :	
1922 :	618,475 :	*5,730,000.00 :	- - - - - :	

†Report covers seven months only.

*Estimated.

Beginning with the year 1920 the association has operated on the basis of contracts with members. The number of stockholders and the number signing the agreement are shown below:

Year :	Number of : Stockholders :	Capital Stock : Paid :	Average Number : Shippers per Week :	Number Signers Sales Agreement
1917 :	- - - :	- - - - :	627 :	
1918 :	1,000 :	- - - - :	741 :	
1919 :	1,201 :	\$234,710.13 :	837 :	
1920 :	2,193 :	- - - - :		1,732
1921 :	2,839 :	292,600.00 :		2,552
1922 :	3,159 :	445,975.96 :		2,761

On July 14, 1921, it was voted to increase the capital stock from \$250,000 to \$750,000. A portion of this new stock was subscribed by means of a deduction of one cent per dozen on egg deliveries, 12,794 shares being taken in this way. This practice was discontinued on August 16, 1922, as the directors believed the association had enough capital for present needs. A dividend of 7% was paid on stock in 1922.

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FOURTH DISTRIBUTION GOES TO COTTON GROWERS

The Arkansas Cotton Growers' Cooperative Association, Little Rock, Ark., announces in a recent issue of the Cotton Association News, that on the evening of February 21 checks were mailed for the fourth distribution to members in payment for their cotton. The amount of this distribution was \$1,350,000, making the total of payments to members more than \$7,000,000. Another distribution of \$2,000,000 is planned on or before the closed of the business year ending July 1, 1923.

IDAHO FARMERS RECEIVE 82% OF GROSS SALES

Sales of butter amounting to \$308,044.11, after deducting allowances, are reported by the Farmers' Cooperative Creamery Company, Fayette, Idaho, for the year 1922. Of this amount \$252,955.21, or 82%, was paid to the farmers for their butter fat. The larger items of expense were approximately as follows: Manufacturing, \$18,000; administrative, \$10,000; delivery, \$4,000; and selling, \$4,000. Additional net income amounting to \$8,852.21 was derived from sales of ice cream, cream, cheese, buttermilk, and other items.

Patronage dividends in 1921 amounted to \$8,390.75, and in 1922 to \$11,777.65; while a bonus of \$546.28 was paid to employees in 1921 and of \$610.33 in 1922.

The company was organized in July, 1915. Details concerning the butter fat purchased and butter manufactured for each year of operation are given below:

Year	Butter Fat Purchased	Butter Manufactured	Price Paid for Butter Fat	Ice Cream Manufactured
	(Pounds)	(Pounds)	(Average)	(Gals.)
1916	167,345	200,440	\$0.31 1/4	
1917	230,173	264,409	.44	
1918	347,951	428,718	.55 3/4	
1919	503,976	611,266	.63 1/3	
1920	536,306	656,146	.58	13,736
1921	500,684	614,948	.39	10,659
1922	648,099	807,594	.41 3/10	14,311

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NEW ORGANIZATION FOR MILK PRODUCERS IN CHICAGO DISTRICT

A financial statement of the Milk Producers' Cooperative Marketing Company, Chicago, Ill., dated January 1, 1923, gives the value of the real estate, buildings, machinery and equipment, less allowance for depreciation, as \$604,672.71; capital stock subscribed and partly paid and issued, \$535,150; 6% debenture bonds outstanding, \$345,257.85. A new company has been organized under the name of the Milk Producers' Marketing Company, which is to supervise and conduct the operations of the old company. The contract provides that the Milk Producers' Cooperative Marketing Company shall purchase all the milk and milk products delivered to it by the new company for a period of ten years, and shall provide and operate sufficient plants to receive, grade, manufacture, ship, distribute and deliver same. A membership campaign is under way with a new form of contract. The new company guarantees the \$400,000 bond issue, and has the option of buying any of the assets of the old company at book value.

MICHIGAN ASSOCIATION HANDLES QUANTITIES OF CHERRIES

Canning and marketing sour cherries is the special business of the Grand Traverse Packing Company, Traverse City, Mich. Organized in the spring of 1921, the company canned during the cherry season of that year approximately 1,200,000 pounds of cherries, and was able to pay the farmers 10¢ a pound at their own farms. All the profits were used for dividend purposes and the capital stock was increased from \$100,000 to \$250,000, of which about \$191,000 has been sold.

A warehouse and cold storage was constructed in the spring of 1922, with a capacity of 5,000 barrels of cherries and 8,000 barrels of apples. The cherries to be placed in cold storage are pitted, barreled and frozen, to be sold to pie makers in large cities. The 1922 crop was heavy and about 4,000,000 pounds of cherries were canned and frozen, the number of barrels frozen being 2,500.

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COMMISSION ASSOCIATION HANDLES 999,330 ANIMALS IN 1922

Business amounting to \$21,756,804.67 during the year ending Dec. 31, 1922, is reported in the financial statement of the Central Cooperative Commission Association, South St. Paul, Minn. The total number of animals handled was 999,330, of which 691,356 were hogs; 131,897 were cattle; 117,219, calves; and 58,858, sheep. The total number of cars received was 15,571, and the average cost per car of handling was \$8.27. Capital stock was outstanding at the close of the year to the amount of \$19,350. A stock dividend of 8%, amounting to \$1,548, was paid in 1922, and a patronage refund of 32%, amounting to \$78,322.80. Sixteen thousand, eight hundred, seventy-two dollars and eleven cents was carried to a permanent reserve fund and \$5,010.26 to an educational reserve fund.

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TWO MILLION DOLLARS TO OKLAHOMA COTTON GROWERS

On the last day of February the Oklahoma Cotton Growers' Association began the distribution of about two million dollars to its members on the basis of six cents a pound on all cotton classed. This will complete the payment of 22 cents a pound for 1922 cotton to each member. The final settlement still remains to be made. On February 8 the association was able to announce that the average sale price on all cotton sold had reached a point slightly above 25 cents a pound. This was done without selling any of the longer staples. The association acquired 344 new members during January. (Data from Cotton Association News, Feb. 20, 1923).